

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1763 – SB 2501

March 19, 2018

SUMMARY OF ORIGINAL BILL: Outlines requirements for a municipal corporation, county, state agency, development district, utility district, human resources agency, or other political subdivision to contract for the construction of a building or building improvements estimated, projected, or budgeted to exceed \$1,000,000.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – To the extent non-competitive methods of procurement are utilized to contract with vendors for building construction projects with costs exceeding \$1,000,000, there may be increases in state expenditures relative to state projects and permissive increases in local expenditures applicable to local projects. The extent and timing of any expenditure increase is dependent upon multiple unknown factors and cannot be reasonably determined.

SUMMARY OF AMENDMENT (015512): Deletes all language after the enacting clause. Expands construction processes outlined for state and local correctional facility projects to all local construction projects and additions to existing buildings.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- Under current law, pursuant to Tenn. Code Ann. § 12-4-107(b), the state, a county, city, metropolitan government, or town is authorized to contract for construction management agent services for correctional facility projects through a written request for proposal process through advertisement, and such services are required to be awarded to the best qualified and responsible responder. Construction work performed under the coordination and oversight of a construction manager is required to be procured through a competitive bid process.

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- This legislation expands this authorization to all local government construction or additional projects and specifies that a procurement or advertisement for construction management services is required to be in accordance with laws, regulations, and ordinances of the county, city, metropolitan government, or town.
- Any impact to local government resulting from outlining processes for local construction projects is estimated to be not significant.
- Any impact to state government is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj